

**UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO**

IN RE:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO
RICO,

as representative of

THE COMMONWEALTH OF PUERTO
RICO,

Debtor.

PROMESA
Title III

Case No. 17 BK 3283

(Joint Administration Requested)

IN RE:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO
RICO,

as representative of

PUERTO RICO SALES TAX FINANCING
CORPORATION (“COFINA”),

Debtor.

PROMESA
Title III

Case No. 17 BK 3284

(Joint Administration Requested)

**THE BANK OF NEW YORK MELLON’S NOTICE OF
REQUEST TO BE HEARD AT MAY 17, 2017 HEARING**

The Bank of New York Mellon (“BNYM”), as trustee, through its undersigned counsel, hereby requests an opportunity to be heard at the May 17, 2017, hearing with respect to the matters described below.

1. BNYM is the trustee under the Amended and Restated Sales Tax Revenue Bond Resolution (as amended and supplemented, the “Resolution”), adopted on July 13, 2007, by Puerto Rico Sales Tax Financing Corporation (“COFINA”). COFINA is an independent

governmental instrumentality of the Commonwealth of Puerto Rico (the “Commonwealth”).

Pursuant to the Resolution, COFINA issued several series of sales tax revenue bonds (collectively, the “Bonds”).

2. The Commonwealth recently took certain actions that call into question the Commonwealth’s commitment to honoring COFINA’s independence and that may impact COFINA’s and BNYM’s rights and interests in and to certain sales and use taxes that were assigned from the Commonwealth to COFINA and pledged to BNYM to secure payment of the Bonds.

3. As a result of the Commonwealth’s actions, BNYM has been subjected to competing demands by certain holders (the “Beneficial Holders”) of beneficial interests in the Bonds with respect to the existence of an Event of Default (as defined in the Resolution), whether or not to accelerate the Bonds, and whether or not to make payments on the Bonds. Additionally, BNYM has been sued in New York state court, where it faces allegations that it breached its duties to certain Beneficial Holders by failing to declare defaults and Events of Default. Whether or not Events of Default exist is an issue of great importance to all Beneficial Holders because it affects the payment priority among various types and series of Bonds.¹

4. To date, the principal and interest payable on the Bonds has been paid as and when due. The next payment on the Bonds in the amount of \$16,297,863.78 (the “June 1 Payment”) is scheduled for June 1, 2017. Payments are scheduled to be made on a monthly basis

¹ In addition to disputes among Beneficial Holders, certain holders of the Commonwealth’s general obligation bonds have asserted a claim against the funds held by BNYM in trust under the Resolution. In *Lex Claims, LLC v. Padilla*, No. 16-cv-02374 (FAB) (D.P.R.), certain general obligation bondholders sued BNYM, among others, alleging generally that the transfer of the pledged taxes from the Commonwealth to COFINA and COFINA’s pledge of the same to BNYM as security for payment of the Bonds were unconstitutional under the Puerto Rico Constitution.

thereafter. Whether BNYM should make the June 1 Payment at all and, if made, to whom, are the subject of disputes among various groups of Beneficial Holders and COFINA.

5. BNYM seeks to be heard at the May 17, 2017 hearing with regard to urgent issues relating to the June 1 Payment, and to discuss the procedural mechanism for expeditiously determining the parties' respective rights, claims, and interests in and to the June 1 Payment and other disputed funds.

WHEREFORE, BNYM respectfully requests that the Court permit BNYM to appear and be heard at the May 17, 2017 hearing.

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Dated: May 15, 2017
San Juan, Puerto Rico

Respectfully submitted,

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